

HOUSE No. 2896

By Mr. Mariano of Quincy, petition of Ronald Mariano for legislation to establish a direct care worker reserve fund. Health Care Financing.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT RELATIVE TO THE DIRECT CARE WORKER RESERVE FUND.

1 *Whereas*, There exists throughout the commonwealth a staffing
2 crisis in the nursing home and home health industries which jeop-
3 ardizes the ability of nursing homes and home health agencies to
4 provide necessary care and services to the individuals they serve;

5 *Whereas*, There is an immediate need to provide nursing home
6 and home health agencies with financial resources necessary to
7 provide wage increases to individuals employed by nursing homes
8 and home health agencies who provide basic care and support
9 services that contribute to the provision of quality care; and

10 *Whereas*, The deferred operation of this act would tend to
11 defeat its purpose, which is immediately to afford nursing homes
12 and home health agencies the ability to address the staffing prob-
13 lems facing these providers of health care services or for other
14 important public purposes,

15 *Therefore*, It is hereby declared to be an emergency law, neces-
16 sary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. There shall be established within and maintained
2 by the executive office of health and human services, a Direct
3 Care Worker Reserve Fund (the "Fund").

1 SECTION 2. The Fund shall be funded in an amount to be
2 determined as follows. The division of health care finance and
3 policy shall forthwith certify to the secretary of the executive
4 office of health and human services an amount that is equal to

5 (a) five percent of the direct salaries and payroll taxes paid by all
6 nursing homes for certified nurses aides, laundry staff, main-
7 tenance staff and housekeeping staff, as set forth on the most
8 recently filed calendar year HCF-1 cost reports; (b) five percent of
9 the direct salaries and payroll taxes paid by all home health agen-
10 cies for home health aides, as set forth on the most recently filed
11 Medicare cost report; (c) the product of the number of nursing
12 homes that commenced operation after the close of the most
13 recently filed calendar year cost report and the per nursing home
14 median value derived from the amount certified in clause (a); and
15 (d) the product of the number of home health agencies that com-
16 menced operation after the close of the most recently filed
17 Medicare cost report and the per home health agency median
18 value derived from the amount certified in clause (b). The
19 amounts so certified by the division of health care finance and
20 policy shall be the amount to be placed in the Fund.

1 SECTION 3. The secretary of the executive office of health and
2 human services shall oversee payments from the Fund to nursing
3 homes and home agencies, and shall have discretion to make pay-
4 ments from the Fund through the division of medical assistance so
5 as to maximize the receipt of federal financial participation under
6 the Commonwealth's MassHealth program provided, however,
7 that payments from the Fund to nursing homes and home health
8 agencies shall not be conditioned upon or subject to the receipt of
9 federal financial participation. The secretary of the executive
10 office for health and human services shall make payments from
11 the Fund to nursing homes and home health agencies as expedi-
12 tiously as practical. Each nursing home or home health agency, as
13 the case may be, shall receive payment from the Fund in an
14 amount equal to a fraction of the Fund with the numerator of the
15 fraction being the nursing home's or home health agency's costs
16 within the total amounts referenced in clauses (a) or (b) or (c) or
17 (d) of Section 2 as the case may be, and the denominator of the
18 fraction being the total amount certified by the division of health
19 care finance and policy to the secretary of the executive office of
20 health and human services pursuant to Section 2.

1 SECTION 4. The effective date of this act shall be January 1,
2 2007.